



SISCO Holding delivers a robust top line growth in Q1 2024 Ports segment reports positive revenue and EBITDA growth

- Ports and Logistics segments revenues improved by 7.3% and 20.2% respectively.
- Adjusted EBITDA for the quarter improved 8.7%
- Gross profit margin in Logistics segment improved by 458 bps Year on Year

Jeddah, Saudi Arabia, May 2024: The Sustained Infrastructure Holding Company ("SISCO Holding," "TADAWUL: 2190") , Saudi Arabia's leading strategic investor in Infrastructure, Ports and Logistics, and Water Solutions, has announced its financial results for the first quarter 2024.

In the first quarter of Fiscal Year 2024, revenue, excluding accounting construction revenue, reported a 7.9% increase reaching SAR 257.6 million compared to SAR 238.8 million in Q1 2023 driven by consistent growth across all segments. However, on a sequential basis, revenues declined by 6.7% compared to Q4 FY23 due to the ongoing crises in the Red Sea.

The gross profit for Q1 2024 stood at SAR 132.9 million, marking a 2.9% improvement from Q1 2023, but decreased by 12.3% from the adjusted gross profit of SAR 151.4 million from the last quarter due to a decline in margins following an increase in direct costs (primarily depreciation and amortization). The gross margin for Q1'24 declined to 51.6% from 54.1% in the corresponding quarter last year, and it decreased sequentially from 54.9% in Q4 2023.

Despite a decline in the gross profit margin, our adjusted EBITDA margins improved by 45 basis points compared to Q1 2023. As a result, adjusted EBITDA reached SAR 160.4 million, an increase of 8.7% year on year.

Reported loss of SAR 21.2 million is impacted by an exceptional net loss of SAR 59.2 million (SISCO Holding share of loss is SAR 29.6 million) in Tawzea, an equity accounted associate, due to one-off provision for additional costs in three EPC (engineering, procurement and construction) projects of SAR 68 million during Q1 2024 and, RSPDI pre-operating expenses of SAR 5 million. Excluding this impact, adjusted net income for the period is SAR 14.6 million, a decrease of 24.9% compared to Q1 2023 and decreased by 35.5% compared to Q4 2023 from SAR 22.7 million, primarily due decline in margins, increase in operational costs and finance charges during the quarter.

Q1 2024 Quarterly Performance Highlights:

Revenues improved by 7.9% y-o-y due to improvement in Gateway volumes in the Ports segment.

Gross profit increased by 2.9% as compared to Q1 2023 mainly due to changes in revenue mix and pricing.

Adjusted EBITDA improved by 8.7% to SAR 160.4 million with a healthy margin of 62.3%.

Adjusted Net income of SAR 14.6 million decline by 24.9% as compared to the same quarter last year because of decline in margins and increased operational cost and finance charges.

Q1 2024 Financial Snapshot

	Revenue	Gross Profit	EBITDA-Adjusted	Net Income – Adjusted
Q1-2024	SAR 257.6 m ↑ 7.9%	SAR 132.9 m ↑ 2.9%	SAR 160.4 m ↑ 8.7%	SAR 14.6 m ↓ - 24.9%

**Commenting on the results, Mr. Khalid Suleimani, Group CEO, SISCO, said:**

I am pleased to report that SISCO Holding has had a good start to the year with our Q1 2024 results. Our financial performance, largely, has been on an upward trajectory on a YoY basis. Despite the ongoing challenges presented by the current Red Sea crisis, we have delivered a strong set of results that underscore the strength and resilience of our business. We reported strong year on year revenue and EBITDA growth with EBITDA margins improving by 45 basis points compared to Q1 2023.

In addition to our strong financial performance, I am proud to highlight our improved cash position supported by a strong balance sheet. Our prudent financial management and disciplined approach to capital allocation has positioned us well to capitalise on value accretive opportunities as they arise. SISCO Holding has made significant progress in executing our five-year strategy, surpassing the the scheduled progress for growth through M&A and organic growth through our portfolio companies in the ports and logistics segment. Our portfolio companies continue to invest to keep pace with the high demand for the Group's services. It is worth noting that we reached the midpoint of implementing the strategy late last month.

On a segmental basis, the ports segment emerged as the biggest contributor to growth in the top line. The segment witnessed a 7.3% upswing in revenue compared to the same quarter last year, achieved on the back of improved gateway volumes despite the ongoing disruption in the Red Sea. However, we have seen a drop in transshipment volumes, which has impacted margins and contributed to a decline in net income in the ports segment. Despite the challenging market, we have seen an increase in the market share of RSGT.

The Logistics segment reported strong growth in the first quarter along with the gross profit margin improvement from 43.2% in Q1 2023 to 47.7% in Q1 2024. The Water solutions segment also posted steady performance on a year-on-year basis, despite a marginal dip in volumes.

We remain poised to grow and are making progress towards strategically expanding our portfolio. We are presently in advanced negotiations with several chosen international ports and have established a substantial project pipeline.

Looking ahead, we continue to remain positive about the prospects of business in the immediate future, backed by our amplified growth drivers and strategic approach.

Outlook and Progress in Implementing 6x26 Strategy

The company has made strong progress in achieving its five-year strategy as it reaches the mid-point of the 5 year strategy. The strategy aims to achieve two billion riyals in revenues and raise the value of assets to 6 billion riyals by 2026.

It is worth mentioning that the SISCO Holding has exceeded the target with regard to the target capacity in RSGT and LogiPoint has achieved 80% of the planned bonded zone capacity target for 2026. In addition, Tawzea won four out of seven deals in the Independent Sewage Treatment Plant,.) On the M&A front, the company completed two deals late last year and is working further deals this year. Finally, RSGT took its first steps to transform from a single port operator to an international a multi-port operator.

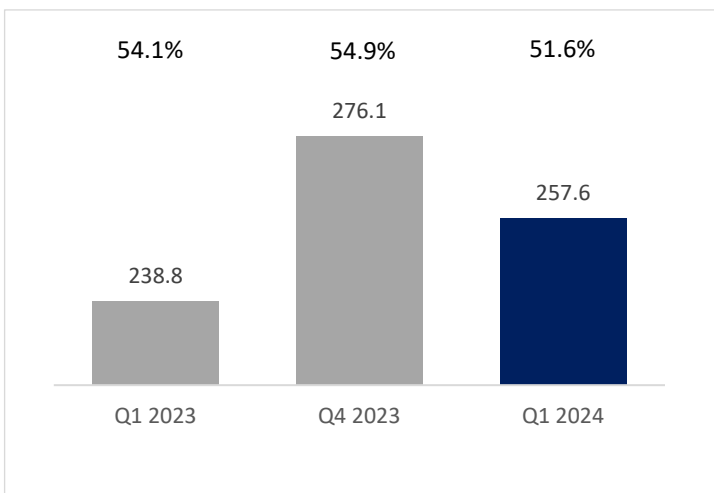
In this respect, we are anticipating that the operation of RSGT's new concession, to develop and operate the Patenga container terminal in Bangladesh, will commence by early June 2024. Additionally, RSGT remains focused on business expansion in Saudi Arabia, as well as prioritizing the growth of a series of additional locations on the Red Sea coast.

EARNINGS RELEASE: Q1 2024

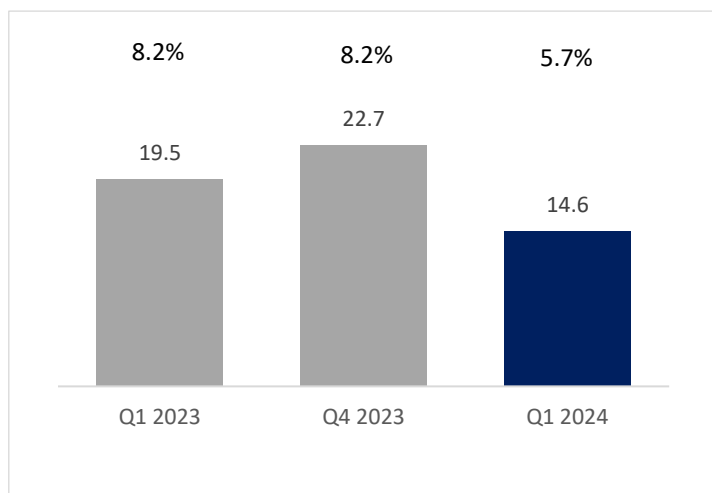
May 2024

Income Statement Summary SAR million

Revenue (SAR million) and Adjusted GP Margin



Adjusted Net Income (SAR million) and Margin



Q1 2024 Financials Summary

SAR million	Q4' 23	Q1' 24	Var. %	Q1' 23	Q1' 24	Var. %
Revenue*	276.1	257.6	(6.7)%	238.8	257.6	7.9%
Direct costs*	(150.6)	(124.8)	(17.1)%	(109.7)	(124.8)	13.8%
Gross profit	125.5	132.8	5.8%	129.1	132.8	2.9%
Operating expenses	(68.7)	(53.3)	(22.4)%	(45.2)	(53.3)	17.9%
Operating profit	56.8	79.5	40.0%	83.9	79.5	(5.2)%
Investment income	5.2	(25.3)	(586.5)%	8.0	(25.3)	(416.3)%
Finance charges	(60.7)	(72.0)	18.6%	(58.0)	(72.0)	24.1%
Other income / expenses & Zakat	9.8	3.9	(60.2)%	3.0	3.9	30.0%
Group net income / (loss)	11.1	(13.9)	225.2%	36.8	(13.9)	(137.8)%
Minority interest	(4.3)	(7.2)	67.4%	(17.4)	(7.2)	(57.6)%
Net income / (loss) – reported	6.8	(21.1)	(410.3)%	19.4	(21.1)	(208.8)%
Net income / (loss) – adjusted	22.7	14.6	(35.5)%	19.4	14.6	(24.9)%

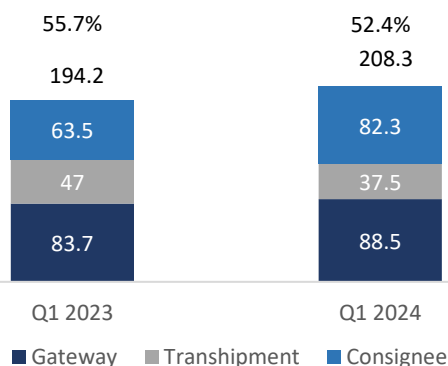
*Excludes construction revenue and cost

Operational Highlights

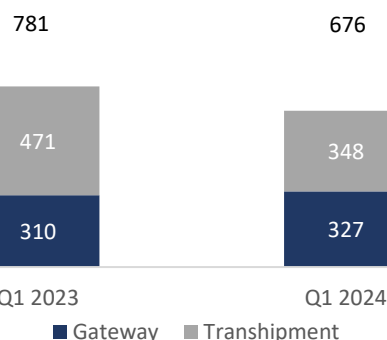
Ports & Terminals

Ports & terminals delivered a robust performance with revenue (excluding accounting construction revenue) increased by 7.3% to SAR 208.3 million in Q1 2024 compared to the corresponding quarter last year. This overall increase in the Ports and Terminals segment is driven by a 5.7% increase in gateway volumes in Q1 2024, despite a 26.1% decrease in transshipment volumes compared to Q1 2023.

Revenue (SAR million) and GP Margin



Volume – TEUs '000



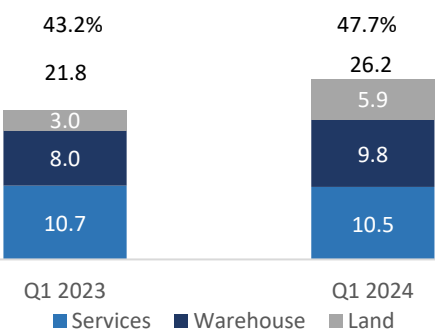
Logistics Parks & Services

The revenue of the logistics segment surged by 20.2% in Q1 2024, reaching SAR 26.2 million compared to the corresponding quarter of the previous year. The Gross profit margin surged by 458 bps in the first quarter of 2024 as compared to the same quarter last year.

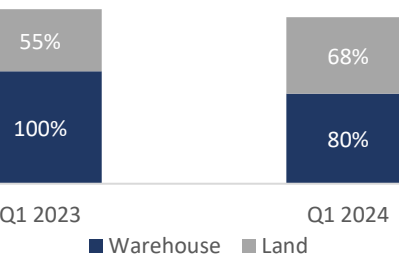
Additionally, there was a notable increase in occupancy in the Land sector, rising from 55% in Q1 2023 to 68% in Q1 2024, while warehouse utilization remained consistent with the previous two quarters.

SA Talke reported revenues of SAR 74.3 million during Q1 2024. SISCO Holding's share of SA Talke's net income was **SAR 4.6 million**.

Revenue (SAR million) and GP Margin



Occupancy (%)





EARNINGS RELEASE: Q1 2024

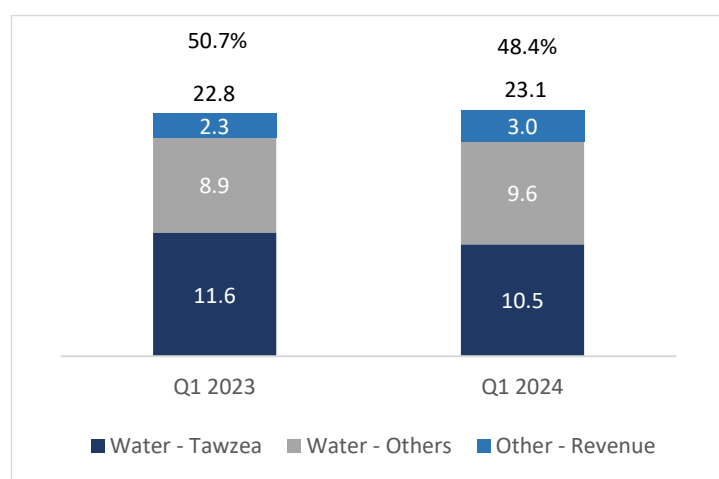
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Water Solutions

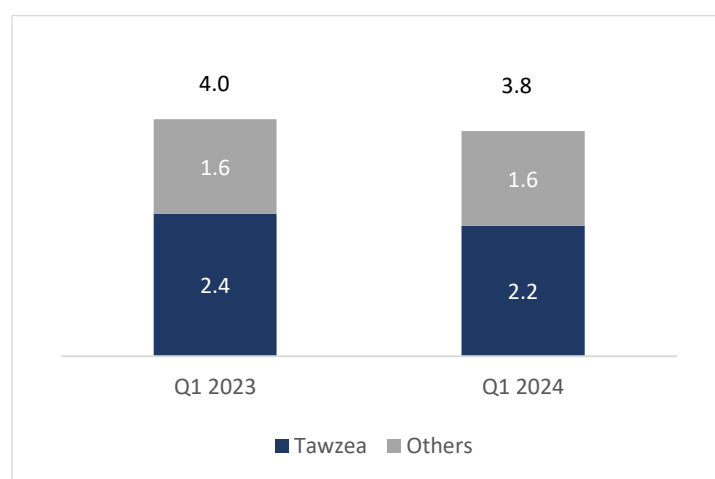
The water segment's revenue for Q1 2024 increased by 1.3% to 23.1 million as compared same quarter last year whereas the Gross margins declined marginally from 50.7% in Q1 2023 to 48.4% in Q1 2024. In terms of volumes, it remained flat in the first quarter compared to the same quarter last year.

Tawzea reported adjusted revenues of SAR 127.2 million during Q1 2024 compared to SAR 90.2 million same quarter last year. SISCO Holding's share of Tawzea adjusted net income was **SAR 4.4 million**.

Revenue (SAR million) and GP Margin



Volume in Million (Cubic Meter)



Investor relations

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About SISCO

SISCO Holding is an investment company with a diversified portfolio of unique assets spanning infrastructure, ports and logistics and water solutions, building on the success of establishing unique companies that hold market leading positions. SISCO Holding was established in 1988, supported by a team of more than 3,000 employees and provides strategic support to portfolio companies with a clear and long-term investment philosophy to unlock available growth opportunities. The company has assets under management of over SAR four (4) billion through its eight (8) strategic portfolio companies.

Analyst Call and Earnings Presentation

SISCO Holding will be hosting an analyst call on the Company's first quarter 2024 results.

For conference call details, please email ir@sisco.com.sa

The earnings presentation will be hosted on the company website in due course: <http://www.sisco.com.sa/poverview.php>